

OFFICE SUMMARY
BMI FEDERAL CREDIT UNION #01199 (BMIFCU)
COMMUNITY CONVERSION COMPLIANCE WITH
IRPS 08-2 AS AMENDED BY IRPS 10-1

1. GENERAL BACKGROUND (As of December 31, 2011)

FCU Name:	BMI	Charter No.	01199
Location:	Dublin, Ohio	SE/EX:	Churilla/Madan
Current Members:	27,377	Assets:	\$370,777,023
Potential Members:	50,000	Loans:	\$211,421,776
Penetration Rate:	54.75%	Shares:	\$300,461,318
Requested Members:	1,836,536	Earnings:	0.65%
Date Application Received	03/08/12	Delinquency:	1.30%
Last Exam (Code 10):	09/30/11	Net C/Os:	0.68%
CAMEL:	1 12122	Net Worth:	8.39%

History of the credit union – BMI Federal Credit Union (BMIFCU) was chartered in 1936 by a group of 15 Battelle Memorial Institute employees to serve the “Employees of Battelle Memorial Institute in Columbus, Ohio; members of their immediate families, and any association of such employees.” BMIFCU indicates this original main sponsor group is today the world’s largest independent research and development organization. After serving a stable employee base of 2,500 to 3,000 in the mid 1980’s, BMIFCU began expanding its membership to include groups located close to the Battelle campus that were in technology-related businesses. In 1998, BMIFCU expanded its field of membership to include eligible employee groups/organizations located and operating in Central Ohio. Battelle’s wholly-owned subsidiaries along with numerous employee and associational based groups have been added over the years. As of December 31, 2011, BMIFCU serves approximately 437 groups and over 27,300 actual members. BMIFCU is also reporting the Columbus C.E.O. Magazine has named them the Best Credit Union for four straight years in its annual Best of Business survey.

All of BMIFCU’s occupational and associational based groups are located within the proposed community except for nine of them. The nine groups are either located outside the proposed community or have locations outside the proposed community. The groups are field of membership line items number 15, 16, 19, 49, 50, 52, 106, 209, and 231 as listed below. BMIFCU indicates they will contact these nine groups and provided a sample letter of such notification in their application.

15. Employees of the Battelle Seattle Research Center or the Human Affairs Research Center who work in or are paid from Seattle, Washington;

16. Employees of Clapp Laboratories of Battelle Memorial Institute who work in or are paid from Duxbury, Massachusetts;

19. Employees of Survey Research Associates, Inc., a subsidiary of Battelle Memorial Institute, who work in or are paid from Baltimore, Maryland; (04/11/96) (05/15/96)

49. Employees of Schottenstein Stores Corporation in Columbus, Ohio, and its following wholly-owned subsidiaries: (Merger completion 05/10/02)

50. Employees of the Shonac Corporation d/b/a DSW Shoe Warehouse, (Revised 12/06/01), a majority-owned subsidiary of Schottenstein Stores Corporation, working at the following locations: (Merger completion 05/10/02)

- (1) Tempe, Arizona, (05/10/02)
- (2) Northridge, California, (05/10/02)
- (3) Pasadena, California, (05/10/02)
- (4) San Francisco, California, (05/10/02)
- (5) West Covina, California, (05/10/02)
- (6) Denver, Colorado, (05/10/02)
- (7) Littleton, Colorado, (05/10/02)
- (8) Westminster, Colorado, (05/10/02)
- (9) Manchester, Connecticut, (05/10/02)
- (10) Aventura, Florida, (05/10/02)
- (11) Boca Raton, Florida, (05/10/02)
- (12) Miami, Florida, (05/10/02)
- (13) West Palm Beach, Florida, (05/10/02)
- (14) Atlanta, Georgia, (05/10/02)
- (15) Dunwoody, Georgia, (05/10/02)
- (16) Chicago, Illinois, (05/10/02)
- (17) Naperville, Illinois, (05/10/02)
- (18) Oakbrook, Illinois, (05/10/02)
- (19) Orland Park, Illinois, (05/10/02)
- (20) Schaumburg, Illinois, (05/10/02)
- (21) Skokie, Illinois, (05/10/02)
- (22) Greenwood, Indiana, (05/10/02)
- (23) Indianapolis, Indiana, (05/10/02)
- (24) Olathe, Kansas, (05/10/02)
- (25) Shawnee, Kansas, (05/10/02)
- (26) Baltimore, Maryland, (05/10/02)
- (27) Bethesda, Maryland, (05/10/02)
- (28) Cockeysville, Maryland, (05/10/02)
- (29) Columbia, Maryland, (05/10/02)
- (30) Boston, Massachusetts, (05/10/02)
- (31) Framingham, Massachusetts, (05/10/02)
- (32) Holyoke, Massachusetts, (05/10/02)
- (33) Ann Arbor, Michigan, (05/10/02)
- (34) Novi, Michigan, (05/10/02)
- (35) Southfield, Michigan, (05/10/02)
- (36) Sterling Heights, Michigan, (05/10/02)
- (37) Troy, Michigan, (05/10/02)
- (38) West Bloomfield, Michigan, (05/10/02)
- (39) West Bloomfield, Michigan, (05/10/02)
- (40) Bloomington, Minnesota, (05/10/02)
- (41) Duluth, Minnesota, (05/10/02)

- (42) St. Louis Park, Minnesota, (05/10/02)
- (43) Ballwin, Missouri, (05/10/02)
- (44) Nashua, New Hampshire, (05/10/02)
- (45) Iselin, New Jersey, (05/10/02)
- (46) Lawrenceville, New Jersey, (05/10/02)
- (47) Paramus, New Jersey, (05/10/02)
- (48) Watchung, New Jersey, (05/10/02)
- (49) Albany, New York, (05/10/02)
- (50) Amherst, New York, (05/10/02)
- (51) Buffalo, New York, (05/10/02)
- (52) Carle Place, New York, (05/10/02)
- (53) Huntington, New York, (05/10/02)
- (54) Middletown, New York, (05/10/02)
- (55) Poughkeepsie, New York, (05/10/02)
- (56) Queens, New York, (05/10/02)
- (57) Rochester, New York, (05/10/02)
- (58) Syracuse, New York, (05/10/02)
- (59) West Nyack, New York, (05/10/02)
- (60) Charlotte, North Carolina, (05/10/02)
- (61) Beaver Creek, Ohio, (05/10/02)
- (62) Canton, Ohio, (05/10/02)
- (63) Cincinnati, Ohio, (05/10/02)
- (64) Dayton, Ohio, (05/10/02)
- (65) Lyndhurst, Ohio, (05/10/02)
- (66) North Olmsted, Ohio, (05/10/02)
- (67) Springdale, Ohio, (05/10/02)
- (68) Stow, Ohio, (05/10/02)
- (69) Tulsa, Oklahoma, (05/10/02)
- (70) Ardmore, Pennsylvania, (05/10/02)
- (71) Erie, Pennsylvania, (05/10/02)
- (72) Homestead, Pennsylvania, (05/10/02)
- (73) Monroeville, Pennsylvania, (05/10/02)
- (74) Pittsburgh, Pennsylvania, (05/10/02)
- (75) Plymouth Meeting, Pennsylvania, (05/10/02)
- (76) Willow Grove, Pennsylvania, (05/10/02)
- (77) Brentwood, Tennessee, (05/10/02)
- (78) Germantown, Tennessee, (05/10/02)
- (79) Austin, Texas, (05/10/02)
- (80) Dallas, Texas, (05/10/02)
- (81) Frisco, Texas, (05/10/02)
- (82) Ft. Worth, Texas, (05/10/02)
- (83) Houston, Texas, (05/10/02)
- (84) Hurst, Texas, (05/10/02)
- (85) Lewisville, Texas, (05/10/02)
- (86) San Antonio, Texas, (05/10/02)
- (87) Shenandoah, Texas, (05/10/02)
- (88) Bailey's Crossroad, Virginia, (05/10/02)
- (89) Chesapeake, Virginia, (05/10/02)

- (90) Fairfax, Virginia, (05/10/02)
- (91) Glen Allen, Virginia, (05/10/02)
- (92) Springfield, Virginia, (05/10/02)
- (93) Virginia Beach, Virginia, (05/10/02) or
- (94) Wauwatosa, Wisconsin; (Revised 12/06/01) (05/10/02)

52. Employees of Gimbels Furniture Company, a division of Schottenstein Stores, who work in West Mifflin, Pennsylvania; (Merger completion 05/10/02)

106. Non bargaining employees of the Dietrich Industries, Inc. subsidiary who work in or are paid from Blairsville, Pennsylvania. Bargaining employees of the Dietrich Industries subsidiary who work at the Hammond Indiana plant located in Hammond, Indiana; (App. Supervisory Merger 10/25/04)

209. U.S. Government employees and federal legislative employees who are headquartered in Champaign, Clark, Coshocton, Delaware, Fairfield, Fayette, Franklin, Hocking, Knox, Licking, Logan, Madison, Morrow, Muskingum, Perry, Pickaway, Ross or Union County, Ohio; (App. Voluntary Merger – 9/14/07)

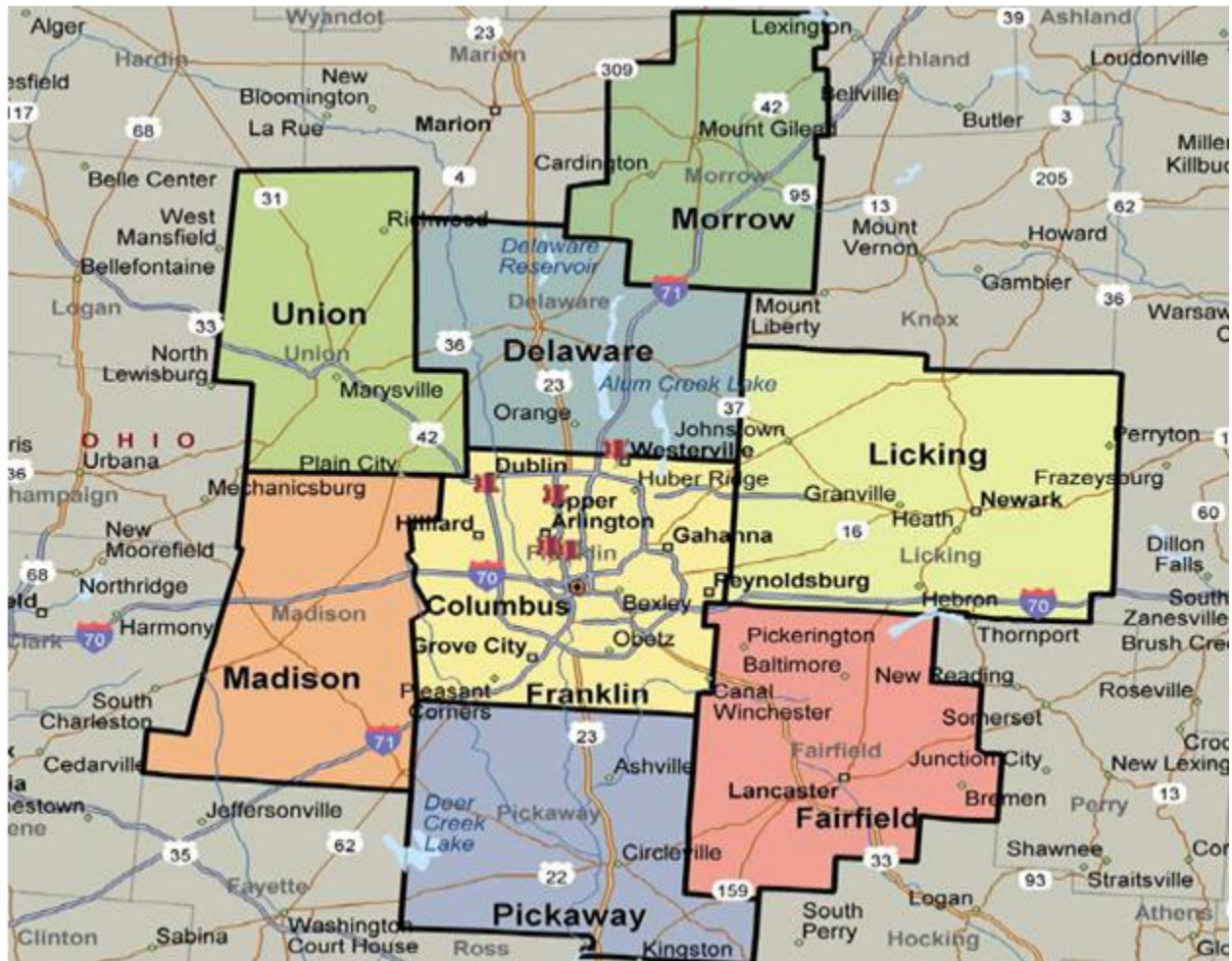
231. Students and Employees of ITT Educational Services, Inc., who are supervised from Carmel, Indiana; (App. 8/06/08)

Proposal – BMIFCU proposes to convert from a multiple common bond charter to a community charter serving the Columbus, Ohio Metropolitan Statistical Area (MSA) consisting of eight counties with a 2010 Census Bureau population of 1,836,536. Below is a list of the eight counties, the population of each county and the percentage of the county to the Columbus, Ohio MSA.

	Counties in Columbus, Ohio MSA	County Population	% of County Population
1	Delaware County	174,214	9.49%
2	Fairfield County	146,156	7.96%
3	Franklin County	1,163,414	63.35%
4	Licking County	166,492	9.07%
5	Madison County	43,435	2.37%
6	Morrow County	34,827	1.90%
7	Pickaway County	55,698	3.03%
8	Union County	<u>52,300</u>	<u>2.85%</u>
	Total	1,836,536	100%

As illustrated in the table above, Franklin County makes up 63 percent of the MSA's population with three counties (Delaware, Fairfield, and Licking) each making up around 10 percent of the population and the remaining four counties combined making up 10 percent of the population with each ranging in population between approximately 2 and 3 percent.

The map below illustrates the proposed community by county and the location of BMIFCU's five office facilities (two offices are within a half mile of each other with one of them being accessible by Battelle staff only). All five office facilities are located within Franklin County with each providing access to an ATM and having a credit union owned parking lot for members to park in.



2. WELL-DEFINED AREA THAT IS A LOCAL COMMUNITY, NEIGHBORHOOD, OR RURAL DISTRICT

- 6

3. BUSINESS/MARKETING PLAN

BMIFCU developed a business and marketing plan outlining its ability and intent to serve the proposed community.

- **Current financial statements** – BMIFCU's December 31, 2011 Financial Performance Report contains the credit union's current and historical financial and statistical information.
- **Pro forma financial statements** – The table below reflects BMIFCU's actual ratios for the past four years and projected ratios for the next three, yearend 2012, 2013, and 2014. Projections are based on service to the eight county proposed community.

	Actual				Projections		
	2008	2009	2010	2011	2012	2013	2014
Net Worth Ratio	7.69%	7.96%	7.87%	8.40%	8.84%	9.27%	9.72%
ROA	-1.21%	0.70%	0.34%	0.65%	0.64%	0.76%	0.86%
Operating Expenses	3.30%	3.05%	3.21%	3.03%	3.12%	3.12%	3.07%
Loan to Assets	73.36%	65.63%	58.46%	57.02%	57.28%	57.21%	57.24%
Delinquency Ratio	3.23%	4.49%	0.79%	1.30%	1.15%	1.10%	1.00%
Net Charge Off Ratio	0.80%	0.94%	2.25%	0.68%	0.65%	0.60%	0.60%
Net Worth Growth	-13.20%	9.30%	4.39%	8.28%	7.66%	8.81%	9.45%
Market (Share) Growth	4.43%	5.42%	3.89%	2.86%	2.87%	3.69%	4.00%
Loan Growth	0.69%	-5.53%	-6.03%	-0.96%	2.67%	3.70%	4.46%
Member Growth	-1.17%	-1.21%	-0.18%	0.04%	1.00%	2.13%	3.23%
Member Growth in #	-328	-337	-49	12	273	589	912

BMIFCU states they were not immune to the effects of the economic downturn in 2008 and 2009. The most significant impact occurred through loan defaults associated to commercial real estate loans. BMIFCU states the market decline in real estate values that occurred led to approximately a dozen members strategically defaulting on the business loans they had with them. As a result, BMIFCU discontinued granting business loans beginning in January 2008. Subsequently, they have worked to lower the delinquency rate, resulting in a delinquent rate of 1.30 percent as of year end 2011.

Share growth has been positive the last four years but loan growth has been negative the last three years and membership growth the last four years except last year reflecting a slightly positive growth in members of 0.04 percent. The level of projected share growth over the next three years of 2.87 percent, 3.69 percent, and 4.00 percent, respectively is consistent with BMIFCU's historical levels ranging from 2.86 to 5.42 percent. Loan growth is projected to be positive also ranging at this same level, from 2.67 percent to 4.46 percent, which should be achievable with the expanded field of membership. Projected loan growth over the next three years is also considerably lower than historical levels prior to 2008 that were 9 percent and higher. Membership growth is also projected to be positive reflecting a steady increase over the next three years. The annual increase the next three years in membership should be achievable as it equates to about 1, 2, and 3 members on average per day, respectively.

In 2008, BMIFCU's total expenses (all expenses including operating and non-operating expenses, provision for loan losses, and cost of funds) rose to 7.34 percent of average assets or \$3.849 million due to the provision for loan loss expenses significantly increasing from \$966 thousand to \$4.9 million. BMIFCU, as mentioned earlier, addressed the needed changes in the lending area but also began identifying and addressing changes it could make operationally. The table below illustrates the largest operational changes were made with the number of branches and the number of full time equivalent employees. During 2008 to 2011, branches were reduced from 9 to 6 and full time equivalent employees were reduced from 93 to 72.5. These operational changes returned earnings to a positive figure in 2009 which has also remaining positive since.

(In Thousands)	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Projected 2012	Projected 2013	Projected 2014
Total Expenses	\$23,232	\$19,415	\$18,002	\$16,087	\$16,648	\$16,930	\$17,768
Total Expenses as a Percentage of Average Assets	7.34%	5.76%	5.06%	4.37%	4.44%	4.38%	4.42%
\$ Change in Total Expenses	\$3,849	-\$3,817	-\$1,413	-\$1,915	\$567	\$282	\$838
Provision for Loan Loss (PLL) Expense	\$4,905	\$3,192	\$2,279	\$1,314	\$1,379	\$1,448	\$1,521
\$ Change in PLL	\$3,939	-\$1,713	-\$913	-\$965	\$65	\$69	\$73
# of Equivalent Full-Time Employees	93	87.5	80	72.5	79.5	81.5	83.5
# of Branches	9	10	6	6	5	5	5
Net Income	-\$3,32	\$2,344	\$1,208	\$2,381	\$2,384	\$2,953	\$3,444

Total expenses over the next three years with the community conversion planned are projected to increase by \$567 thousand, \$282 thousand, and \$838 thousand, respectively. In 2012, one more branch will be closed (officially closed in 2011 but lease costs continued into 2012, therefore BMIFCU still showed it as a branch in 2011) and seven additional full time equivalent employees will be hired. The 2013 increase will be the filling of two new marketing positions. The 2014 increase will mostly be from the addition of two more full time equivalent employees and cost of funds increasing by almost \$564 thousand. BMIFCU does not have plans for any new services or products, or the expansion of its office facilities.

BMIFCU's growth and financial projections the next three years are conservative, reasonable, and consistent with recent and/or past historical performance and should be achievable in light of the potential membership base significantly increasing from 50,000 to 1.836 million along with BMIFCU offering attractive no cost to low cost products and services.

- **Current and Proposed Facilities** – The credit union’s current branch structure is adequate to serve the proposed community. BMIFCU currently maintains five office facilities in the proposed community. All five offices are located in Franklin County, an area measuring approximately 25 miles by 25 miles. Franklin County contains 63.4 percent (or 1,163,414 residents) of the proposed community population with the other seven counties containing 16.2 percent of the population (or 296,654) with the remaining 20.5 percent being rural (or 376,468).

The largest city in the MSA, the City of Columbus, is located in Franklin County with a population of 787,033 or 42.8 percent of the proposed community population. The remaining population in Franklin County resides in either one of the eight places with a population over 14,000 (14.3 percent or 262,855 residents) or in one of the 20 places with a population less than 14,000 (5.1 percent or 92,932 residents), if not rural (1.1 percent or 20,594). The other six places in the MSA with a population over 14,000 are shown below. These six places are 9.6 percent of the proposed community population or 176,453 residents. The county location for each of the six places is identified along with the distance to the closest BMIFCU office facility. The remaining population in the seven counties, if not rural, is located in one of the remaining 82 places with a population less than 14,000 (6.5 percent or 120,201 residents).

	Place	Population	% of Total Population	County	% of County	Miles From Office Facility
1	Newark city, Ohio	47,573	2.6%	Licking	28.57%	31.7
2	Lancaster city, Ohio	38,780	2.1%	Fairfield	26.53%	35.0
3	Delaware city, Ohio	34,753	1.9%	Delaware	19.95%	18.7
4	Marysville city, Ohio	22,094	1.2%	Union	42.24%	18.5
5	Pickerington city, Ohio	18,291	1.0%	Fairfield	12.51%	20.2
6	Pataskala city, Ohio	14,962	0.8%	Licking	8.99%	23.2
	Sub Total	176,453	9.6%			
7	Remaining places in the other seven counties with less than 14,000 population	120,201	6.5%	Varies	n/a	Varies
	Total	296,654	16.2%			

Each of the six places outside of Franklin County with a population of 14,000 or more are within 18 miles to 35 miles from one of BMIFCU’s five office facilities. The distance that residents in these six population centers over 14,000 are from Columbus City is reasonable. Columbus City is the only major trade area in the MSA and BMIFCU states residents will not be hesitant to travel to Columbus City where one of their existing office facilities, if needed, will be able to service them.

BMIFCU’s offices each have an ATM and their own parking lot for membership to park including several offices having drive-up windows and Saturday office hours from 9 a.m. to 1 p.m. Members also have access to 50 shared branch locations and 140 surcharge-free ATMs within the proposed community with 18 ATMs owned by BMIFCU.

- **Products and Services** - BMIFCU offers an array of attractive services as shown in the table below.

Accounts	Loans	Services
Regular Shares (par is \$5)	Signature	Online loan application
BMiChangeJar Shares - debit card purchases rounded up to the next dollar and difference deposited into this higher rate savings accounts	PAL (Payday Alternative Loan) – line of credit loan with a short-term and lower interest rate and smaller initial fee compared to alternative payday lenders in the Columbus market	Financial/Debt Counseling and Education – one on one counseling by 21 employees all Certified Financial Counselors through the CU FiCep training program; select employer group presentations on budgeting, debt management, and understanding credit scores; and on-site workshops covering topics such as “Planning for College 101.
Share Drafts - <u>free</u> checking, checking earning dividends, 2 nd chance checking, and business checking	Mortgage Loans – fixed and adjustable, 15, 20, and 30 year term. Also an approved FHA lender and offers first time home buyer loans	VISA ATM Debit Cards – <u>no annual fee</u> and <u>surcharge free</u> at BMIFCU's ATMs and affiliated <u>no-surcharge</u> ATMs.
Share Certificates - 3 to 60 months with minimum deposit of \$500 Youth Certificates - minimum deposit of \$200	New/Used Vehicles – based on risk based pricing models for 24 to 84 months	VISA Credit Card – <u>no annual fee</u> or cash advance fee
Money market -minimum balance of \$2,500	Home Equity Loans/Line of Credit	<u>Free</u> Home Banking and Bill Pay
Traditional, Roth, SEP, and Educational IRAs – shares and certificates	Students loans with CU Student Choice	<u>Free</u> Telephone Banking – full service contact center and phone system. 800 number available to all worldwide

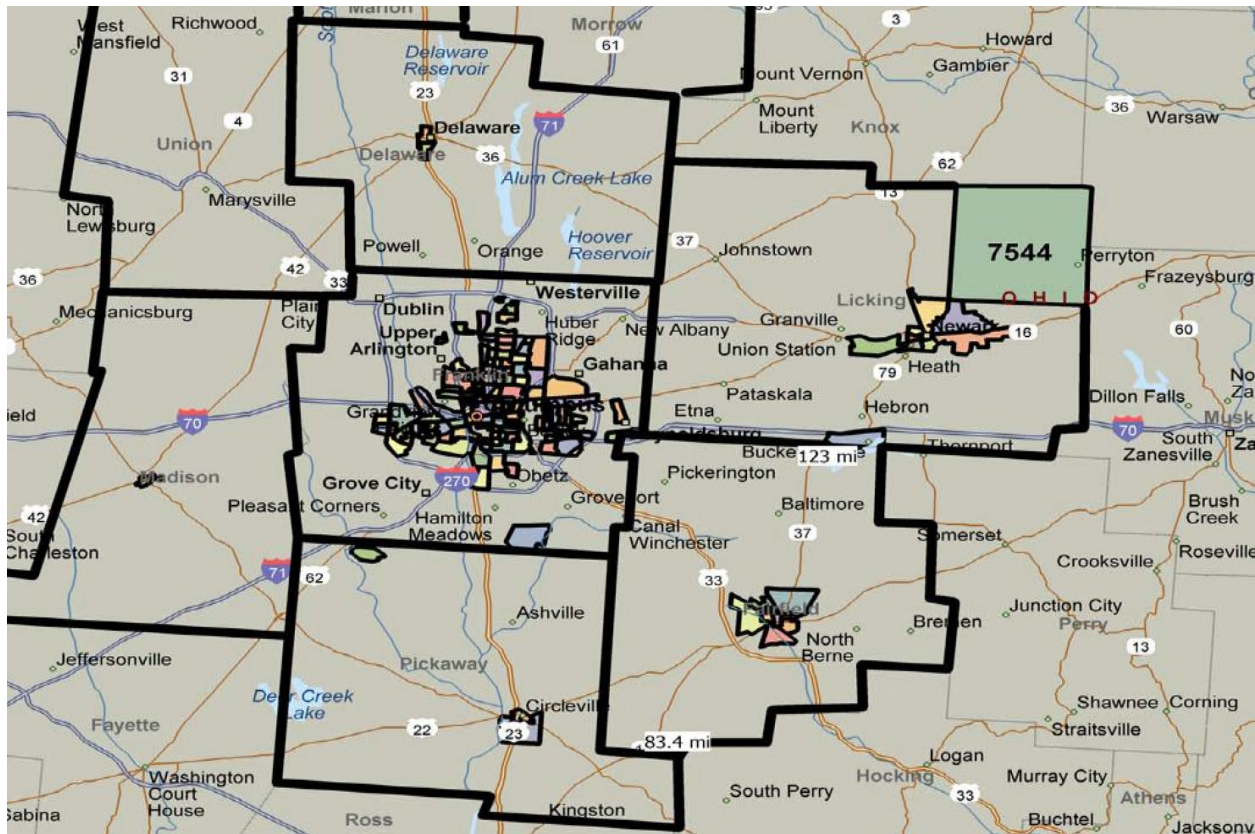
As much of BMIFCU major services and product have no fees, BMIFCU should more than meet the needs of the proposed community.

- **Service to Underserved** – 145 census tracts in the proposed community are designated by the CDFI as investment areas as of the 2000 census. Population of the 145 census tracts is 494,722 or 30.7 percent of the 1,612,694 proposed community residents as of the 2000 Census Bureau. A breakout of the number of underserved census tracts and the population by county is below.

	County	# of Underserved Census Tracts	Population of Census Tracts	County Population	% of Underserved Residents in County
1	Delaware County	2	8,804	109,989	8.0%
2	Fairfield County	7	28,676	122,759	23.4%
3	Franklin County	120	401,789	1,068,978	37.6%
4	Licking County	11	41,832	145,491	28.7%
5	Madison County	1	2,665	40,213	6.6%
6	Morrow County	0	0	31,628	0.0%
7	Pickaway County	4	10,956	52,727	20.8%
8	Union County	0	0	40,909	0.0%
	Total	145	494,722	1,612,694	30.7%

Note: Population figures are from the CDFI/2000 Census Bureau.

A map of the 145 underserved census tracts is below, with the counties of Morrow and Union having no underserved census tracts.



At present, BMIFCU believes its services, products, and philosophy are geared to meeting the needs of the proposed community, including residents with lesser means. Checking account are free, home banking is free, bill pay is free, VISA Credit Cards are free with no cash advance fee, and VISA Debit Cards are free. In addition, a 2nd Chance Checking Account, a First Time Home Buyer Loan, and a PAL (Payday Alternative Loan) as an alternative to a payday loan are all available.

- **Other Demographic Groups** – The 2010 demographic information from the Census Bureau data reflects the majority of the proposed community is White at 77.5 percent and Black at 14.9 percent. The largest minority group is Hispanic or Latino, with 3.6 percent, and Asians make up 3.1 percent of the proposed community population. Out of BMIFCU's 5 office locations, 3 locations have bi-lingual staff (six total bi-lingual employees) on site to assist non-English speaking members.

The credit union identified the following demographic segments of the area based on the 2010 Census Bureau.

Demographic Segment	% of Population
Persons under 18 years old	24.8%
Persons over 18 years old	75.2%
Median age (years)	35.1
Speak English less than "very well"	3.7%
High school graduates	89.8%
Bachelor's degree or higher	32.5%
Owner-occupied housing units	62.5%
Households	723,572
Average household size	2.47
Median family income	\$63,908
With Food Stamps/SNAP benefits	14.1%

- **Marketing Plan** – The primary objective of BMIFCU's marketing plan is to increase the branding of and awareness about BMIFCU in the proposed community, as well as the products and services it offers through a variety of media outlets and promotional activities. To accomplish this objective, BMIFCU will use print advertisements, radio commercials, billboard advertisements, direct mail, internet advertising, one-on-one marketing, financial literacy and education seminars, and community involvement.

Consumer publications and local newspapers will be used having circulation coverage of the eight counties. The two selected newspapers with a circulation covering the MSA will be run monthly and bimonthly. Two magazines with readers in all eight counties will contain ads running every other month and annually. The radio station advertisements covering the eight counties will include 30 second ads for 20 spots a month during prime driving times. The five poster billboard advertisements (10'5" x 22'8") will run continuously and be positioned in proximity to BMIFCU's existing five branch locations. Direct mailing pieces will target select groups within the proposed community, both current and potential members. Ads in business publications, along with chambers of commerce and rotary directories will also be used.

BMIFCU has also increased the marketing budget to include the purchase of CRM software to improve its ability for frontline staff to cross market to existing members. BMIFCU will also continue to provide presentations during lunch periods at its current SEG and at the new SEGs where relationships are established after the community conversion. Financial literacy and educational seminars will be provided once a quarter covering such topics as Home Buyers Seminar, Online Services, Save on Home Energy costs, Understanding your Credit, Health Savings Accounts, Avoiding Fraud & Identify

Theft, and Financial Fitness. BMIFCU has also allocated additional funds to train staff related to the community charter conversion and qualifying membership.

BMIFCU will continue its strong support of community organizations both monetary and with volunteer support. Employees frequently volunteer their time and energy to the causes of the organizations listed below. BMIFCU also budgets for monetary donations to many of these organizations. BMIFCU encourages its employees to volunteer at local community organizations on a regular basis and provides them work time to do these functions with the consent of their direct supervisor. A few of the organizations listed below cover a portion of the eight county area but most of them have a service area covering the entire eight counties in the Columbus, Ohio MSA, as indicated.

- Jack Dilbert Memorial Scholarship - all counties
- Ohio Health Foundation Nursing Scholarship - all counties
- Children's Hospital Miracle Network - all counties
- Ohio Academy of Science - all counties
- American Heart Walk - all counties
- Prevent Blindness Ohio - all counties
- Race for the Cure – all counties
- Creative Living – Franklin County
- Welcome Warehouse – Franklin County
- Camp Mary Orton – all counties
- Arthritis Foundation - all counties
- American Heart Association - all counties
- Salvation Army - all counties
- Kids 'n Kamp - all counties

The marketing plan calls for the hiring of two new marketing positions. The cost of these new staff positions are incorporated into the projections. The marketing budget for 2012 will remain the same as 2011 as BMIFCU anticipates a community conversion approval will occur later in 2012. The 2013 marketing budget will increase 35 percent over 2012, and then again in 2014 by another 14 percent.

A quarterly and annual breakdown of the 2013 and 2014 marketing budget dollars for each marketing channel is outlined in the table below.

2013 Marketing Channels	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total
ClearChannel Outdoor - Billboards	\$10,500	\$10,500	\$10,500	\$10,500	\$42,000
Newspaper Advertising	\$11,625	\$14,875	\$11,625	\$11,625	\$49,750
Radio Advertising	\$7,800	\$7,800	\$7,800	\$7,800	\$31,200
Business Development	\$18,000	\$17,500	\$17, 000	\$17,500	\$70, 000
Product Promotions	\$13,500	\$4,750	\$6,000	\$7,750	\$32,000
Member Services	\$4,200	\$4,200	\$4,200	\$4,400	\$17,000
Credit Lines Production	\$2,500	\$2,500	\$2,500	\$2,500	\$10,000
Financial Education Seminars	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000
Donations/Scholarships	\$7,500	\$7,500	\$7,500	\$7,500	\$30,000

Email Marketing/Online Services	\$750	\$750	\$750	\$1,000	\$3,250
Direct Mail/Publications	\$1,750	\$1,750	\$1,750	\$1,750	\$7,000
Staff Development	\$12,500	\$12,500	\$13,500	\$13,000	\$51,500
Miscellaneous	\$2,250	\$2,150	\$2,200	\$2,200	\$8,800
Total	\$93,875	\$87,775	\$86,275	\$88,525	\$356, 500

2014 Marketing Channels	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total
ClearChannel Outdoor – Billboards	\$10,500	\$10,500	\$10,500	\$10,500	\$42,000
Newspaper Advertising	\$11,625	\$14,875	\$11,625	\$11,625	\$49,750
Radio Advertising	\$7,800	\$7,800	\$7,800	\$7,800	\$31,200
Business Development	\$18,750	\$18,750	\$18,750	\$18,750	\$75,000
Product Promotions	\$13,500	\$4,750	\$6,000	\$7,750	\$32,000
Member Services	\$4,500	\$4,500	\$4,500	\$4,500	\$18,000
Credit Lines Production	\$2,500	\$2,500	\$2,500	\$2,500	\$10,000
Financial Education Seminars	\$2,000	\$2,000	\$2,000	\$2,000	\$8,000
Donations/Scholarships	\$10,000	\$9,750	\$9,750	\$10,500	\$40,000
Email Marketing/Online Services	\$750	\$750	\$750	\$1,000	\$3,250
Direct Mail/Publications	\$2,250	\$1,950	\$1,950	\$1,950	\$8,100
Staff Development	\$13,500	\$13,500	\$13,500	\$13,575	\$54,075
Miscellaneous	\$9,000	\$9,000	\$9,000	\$8,200	\$35,200
Total	\$106,675	\$100,625	\$98,625	\$100,650	\$406,575

BMIFCU's marketing plan, community support and involvement, and budget are adequate to reach the proposed community.

- **Anticipated financial impact** – BMIFCU is not planning to make any significant changes in operations or services and products as a result of the community conversion. Overall, BMIFCU believes its current structure is adequate to meet and handle the needs of the expanded population and geographic area resulting from the proposed community charter. As such, BMIFCU is anticipating its operating expenses to be spread over a larger asset base that will result in improved economies of scale. BMIFCU does however plan to fill two new marketing positions, with the hiring of a Business Development Officer and a Director of Marketing. The compensation costs for these two new positions are included in BMIFCU's projections.

4. CREDIT UNION'S CURRENT FINANCIAL CONDITION:

NCUA completed its last examination at BMIFCU effective September 30, 2011. BMIFCU received a CAMEL composite rating of 1 (1=12122). The examination report did not contain a Document of Resolution but the Examiner's Findings addressed minor concerns in the areas of lending, investments, transactional risk, and internal controls.

The Overview states the "Long-time CEO and President, Sharon Custer, will be retiring at the end of April 2012. EVP Bill Allender was selected to replace Ms. Custer earlier this year. The CEO and President transition is progressing well. The Board and senior

management team is commended for managing the transition in a well coordinated manner.”

5. REGIONAL REVIEW AND COMMENTS

Region III has no objection to the charter conversion approval as documented.

6. OFFICE OF EXAMINATION AND INSURANCE REVIEW AND COMMENTS

The Office of Examination and Insurance concurs with the charter conversion approval as documented.

7. RECOMMENDATION: Division of Consumer Access (DCA) recommends approval of BMIFCU’s community conversion request to serve the Columbus, Ohio Metropolitan Statistical Area consisting of eight counties: Delaware, Fairfield, Franklin, Licking, Madison, Morrow, Pickaway, and Union, as the proposed community meets NCUA’s community definition for a Statistical Area and the application demonstrates the credit union’s intent and ability to serve all the residents in the proposed community. DCA received a non-objection from Region III and concurrence from the Office of Examination and Insurance, and is now ready to present to the NCUA Board. NCUA Board approval is required as the population for the proposed community exceeds 1 million.